

State of California  
Business, Transportation and Housing Agency  
Department of Transportation

PROGRAM STATUS  
AB 1012 Status Report  
Action Item

Prepared By:  
Terry L. Abbott  
Chief  
Division of Local Assistance  
(916) 653-1776

CTC Meeting: July 18, 2002

Reference No.: 3.5

*Original Signed By:*  
ROBERT L. GARCIA  
Chief Financial Officer  
July 1, 2002

**Status of AB 1012 Use it or Lose it**  
**RSTP, CMAQ and Regional TEA Obligation Plans – 2<sup>nd</sup> and 3<sup>rd</sup> Cycles**

**Background**

This book item presents information on AB 1012 use it or lose it Cycle 2 funds that were granted extensions and Cycle 3 obligation plans for funds subject to potential reprogramming.

AB 1012 was enacted October 10, 1999 with a goal of improving the delivery of transportation projects. The legislation states that regional agency Congestion Mitigation and Air Quality Improvement (CMAQ) and Regional Surface Transportation Program (RSTP) funds that are not obligated within the first three years of federal eligibility are subject to reprogramming by the California Transportation Commission in the fourth year. The statute is also applied to regional Transportation Enhancement Activities (TEA) funds.

The Department is required to notify the regional agencies annually of their CMAQ, RSTP, and regional TEA summary balances subject to potential reprogramming. Regional agencies have six months from notification date to prepare and submit obligation plans that outlined expected obligation dates for use of the funds subject to potential reprogramming.

**Discussion**

**Cycle 2**

The Department provided the Cycle 2 notification to regional agencies on December 5, 2000. The deadline to obligate funds prior to potential reprogramming by the Commission was December 5, 2001. Some agencies requested time extensions of the obligation deadline for their CMAQ, RSTP and TEA funds. The Commission granted six-month extensions at the December 2001 and January 2002 CTC meetings

The Cycle 2 extensions totaled approximately \$40.5 million. Most of the agencies have obligated the Cycle 2 funds granted extensions. Only three agencies were not able to obligate all their funds.

The obligation of Regional TEA funds for Mono County was delayed due to right of way issues and the design of drainage facilities. A firm obligation date has not been established for the Cycle 2 funds subject to reprogramming.

In summary, the **Cycle 2** funds subject to reprogramming are as follows: CMAQ \$90,598 and Regional TEA \$351,722 for a total of \$442,320.

<u>Region</u>	<u>CMAQ</u>	<u>Regional TEA</u>	<u>Totals</u>
Tahoe	\$ 90,598		
Mono		\$168,005	
Inyo		\$183,717	
<b>Total</b>	<b>\$90,598</b>	<b>\$351,722</b>	<b>\$442,320</b>

### Cycle 3 Obligation Plans

The third annual notification was released on December 3, 2001. Funds noticed in the third cycle are subject to potential reprogramming on December 3, 2002, one year from the date of notification. At the time of notice, third cycle CMAQ, RSTP and Regional TEA funds subject to potential reprogramming on December 3, 2002 totaled **\$185 million**. Obligation plans indicating how agencies intend to obligate the Cycle 3 balances were due to Caltrans by June 3, 2002.

The regional agencies are making progress in reducing their CMAQ, RSTP and Regional TEA balances. As of May 31, 2002 balance reports, total funds subject to reprogramming for the third cycle are approximately **\$118 million**. This is made up of approximately \$45 million in CMAQ for eight agencies, \$57 million in RSTP for four agencies and \$16 million in Regional TEA for twenty-two agencies. **This is an overall reduction of \$67 million.**

A preliminary review of the Cycle 3 obligation plans indicates that of the current balance of \$118 million that must be obligated by December 3, 2002, **approximately \$107 million or 91 percent will meet the December 3, 2002 timeline**. Obligation plans were not received from the following agencies:

<u>Region</u>	<u>CMAQ</u>	<u>RSTP</u>	<u>Regional TEA</u>	<u>Total</u>
Tulare	\$1,202,026		\$719,642	\$ 1,921,668
Los Angeles		\$7,636,455		\$ 7,636,455
Imperial (SCAG)		\$ 501,248		\$ 501,248
Del Norte			\$ 37,195	\$ 37,195
Humboldt			\$ 346,760	\$ 346,760
Inyo			\$ 456,111	\$ 456,111
Mono			\$ 334,171	\$ 334,171
Mariposa			\$ 45,285	\$ 45,285
Imperial (SCAG)			\$ 149,393	\$ 149,393
<b>Total</b>	<b>\$1,202,026</b>	<b>\$8,137,703</b>	<b>\$2,088,557</b>	<b>\$11,428,286</b>

**Recommendation**

For Cycle 2 balances, the Department recommends the Commission reprogram \$90,598 of CMAQ funds and \$351,722 of Regional TEA funds not obligated by Tahoe, Inyo and Mono.

The Department will continue to work with the regions that have not submitted their Cycle 3 obligation plans and report on the plans for obligating the additional \$11.4 million at a future meeting.